

Message Text

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SUBJ: AGREEMENT ON GUARANTEED ANNUAL WAGES

REF : ROME'S 691

1. /BEGIN SUMMARY/. LABOR AND MANAGEMENT HAVE AGREED ON TERMS FOR ACHIEVING GUARANTEED ANNUAL WAGES THROUGH REFORM OF THE WAGE SUPPLEMENT FUND. THE NEW FUND WOULD, IN EFFECT, PAY WORKERS ON SHORT HOURS SOME 92 PERCENT OF LOST WAGES. EMPLOYERS WOULD MAKE UP THE BALANCE. AFTER HAMMERING OUT FINAL DETAILS, APPROPRIATE LEGISLATION WILL BE DRAFTED. /END SUMMARY/.

2. WITH THE PARTICIPATION OF MINISTER OF LABOR TOROS, CONFINDUSTRIA (EMPLOYERS), LED BY AGNELLI, AND THE TOP LEADERS OF THE FEDERATION CGIL-CISL-UIL (CCU) HAVE AGREED THAT THE WAGE SUPPLEMENT FUND'S TWO SECTIONS SHOULD BE MERGED. THUS ALL WORKERS PLACED ON SHORT HOURS WOULD RECEIVE 80 PERCENT OF LOST WAGES FROM THE FUND. SINCE FUND PAYMENTS ARE EXEMPT FROM INCOME TAXES, THIS WOULD IN EFFECT RESTORE OVER 90 PERCENT OF LOST INCOME. EMPLOYERS WOULD MAKE UP THE BALANCE TO 100 PERCENT. AT THE SAME TIME, AT UNION
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REQUEST, THE CRITERIA FOR PLACING WORKERS ON SHORT HOURS WOULD

BE TIGHTENED. THE NEW FUND WOULD DERIVE ITS FINANCING FROM BOTH EMPLOYERS AND THE GOVERNMENT.

3. CONFINDUSTRIA AND CCU OFFICIALS WILL MEET AGAIN JANUARY 20 TO IRON OUT FINAL DETAILS FOR PRESENTATION TO TOROS ON JANUARY 22. THE AGREEMENT WILL THEN BE TRANSLATED INTO DRAFT LEGISLATION.

4. LEFT UNSETTLED IS THE NEED TO DEAL WITH DISCHARGED WORKERS. CONFINDUSTRIA PUT FORWARD A PROPOSAL, ALONG FRENCH LINES, WHICH WOULD PAY FIRED WORKERS FOR ONE YEAR, AT EMPLOYERS' EXPENSE, 92-93 PERCENT OF THEIR REGULAR WAGES. AT THE END OF ONE YEAR, THEY WOULD REVERT TO THE UNEMPLOYMENT COMPENSATION SYSTEM. (THE LATTER CURRENTLY PAYS ONLY 800 LIRE PER DAY, PLUS FAMILY ALLOWANCES; THE UNIONS ARE ASKING FOR THIS TO BE INCREASED TO 1750 LIRE PER DAY).

5. THE UNIONS HAVE REJECTED THIS PROPOSAL FOR TWO REASONS: THEY REGARD IT AS "A LICENSE TO FIRE," AND THEY WOULD LOSE THE ABILITY TO DISCUSS OPERATIONAL CHANGES WITH MANAGEMENT. IN EFFECT, THE UNIONS FEEL THEY WOULD LOSE CONTROL OVER SITUATIONS INVOLVING DISCHARGES. FURTHER TALKS ON THIS SUBJECT WILL BE HELD.

6. COMMENT: THIS SECOND MAJOR AGREEMENT, ON THE HEELS OF PROGRESS MADE ON PENSION REFORM, BODES WELL FOR THE ACHIEVEMENT OF FURTHER AGREEMENTS ON SUCH THORNY ISSUES AS THE REVISION OF THE WAGE ESCALATION SYSTEM. DISCUSSIONS ON THIS LATTER SUBJECT ARE BEING RESUMED NEXT WEEK. THERE HAS, HOWEVER, BEEN NO INDICATION OF CHANGE IN CCU PLANS TO CONDUCT A NATIONAL GENERAL STRIKE ON JANUARY 23. VOLPE

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